

December 22, 2009

Board of Governors of the
Federal Reserve System
20th Street and Constitution Way, NW
Washington DC, 20551

RE: Docket R-1367

I am writing to comment on the proposed changes to Regulation Z and the Truth in Lending Act. We are a community banking institution that is examined by the FDIC and the State of Idaho. We provide our customers throughout Idaho, Utah and Washington a full array of loan products including Home Equity Lines of Credit, (HELOCs).

The HELOC is a service that continues to grow in popularity. Adjusting the early disclosure process to a one page summary and a transaction specific disclosure appears to be a reasonable request. As a community bank we are committed to educating our borrower, and it is beneficial to have model language and examples of the new disclosures as described.

In the area of "Change-In-Term" notices and the "expanding circumstances under which advance written notice of a rate change is required," a variable rate HELOC, (not an ARM), is subject to daily rate changes based on fluctuations in the established index. This information is fully explained in the application disclosures and is covered in the loan documents. It would be difficult and burdensome to notify the borrower in advance of rate changes of this type.

Other areas of great concern are the suspension of advances and reduction of limits by the lender. Limiting the ability of the lender to respond in a proactive manner may increase the risk of a potential loss to the bank. Banks and Bankers are aware of what borrowers are at risk. Many of the factors leading up to prolonged or repeated delinquencies may appear prior to the loan being past due for 30 days. The banks still need the ability to act proactively when the circumstance arises not after a 30 day delinquency has occurred.

When it comes to reinstating a line of credit banks are always willing to review each situation individually and take the appropriate action once financial progress has been made and the risk has been reduced to the bank and its share holders.

While some changes to Reg. Z may be beneficial, others in this proposal could limit the bank's ability to make sound business decisions. With the current economic situation the proposed changes could be detrimental to the borrower and the community bank.

Thank you for the opportunity to comment.